



## CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

October 23, 1998

### **H.R. 4326** **Oregon Public Lands Transfer and Protection Act of 1998**

*As cleared by the Congress on October 14, 1998*

#### **SUMMARY**

H.R. 4326 would transfer administrative jurisdiction over certain federal lands in the state of Oregon between the Bureau of Land Management (BLM) and the U.S. Forest Service and between BLM and the U.S. Fish and Wildlife Service (USFWS). The act would modify the Secretary of the Interior's authority to sell, purchase, or exchange certain federal land managed by BLM in Oregon. It also would authorize the Secretary to expand the boundaries of the Bandon Marsh National Wildlife Refuge and to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project in Oregon. Finally, H.R. 4326 would authorize BLM to convey about 544 acres to Deschutes County, Oregon, for fair market value and to use the proceeds of the sale to purchase environmentally sensitive land in the state.

CBO estimates that the act would affect direct spending and receipts but that such effects would have no significant net impact over the 1999-2003 period. We estimate that outlays from direct spending would decrease by about \$1 million in 1999 and that the net effects in subsequent years would be less than \$500,000 in each year.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

##### **Administration of the Rogue River National Forest**

Section 2 would change the administration of about 8,950 acres of federal lands within the Rogue River National Forest in Oregon by transferring jurisdiction between BLM and the Forest Service. Section 2 also specifies the legal category of the transferred lands, each of which has an associated receipt-sharing formula.

Under current law, offsetting receipts generated from federal land result in payments to states and counties based on formulas specific to the federal land category. Section 2 would affect

three categories of federal land in Oregon: National Forest System (NFS) lands, which are managed by the U.S. Forest Service (within the Department of Agriculture); public domain (PD) lands, which are managed by BLM (within the Department of the Interior); and revested Oregon and California (O&C) railroad grant lands, which are managed by BLM or the Forest Service. Under current law, amounts equivalent to 25 percent of offsetting receipts from NFS land are distributed to states for the benefit of counties; amounts equivalent to 5 percent of net receipts generated on PD land are distributed to the states; and amounts equivalent to 50 percent of receipts from Oregon and California grant lands are distributed to counties. However, a different payment process is temporarily in effect for counties in which federal land is affected by decisions related to the northern spotted owl. Under the Omnibus Budget Reconciliation Act of 1993 (OBRA-93), those counties receive a special guaranteed payment through fiscal year 2003 based on the historical levels of receipt-sharing payments.

Implementing the changes in land status provided in section 2 would alter the receipt-sharing formula for 3,690 acres: 2,058 acres currently categorized as PD land would be redesignated as NFS land, and 1,632 acres currently categorized as NFS land would be redesignated as PD land. Of the 3,690 acres affected by these changes, 235 acres are temporarily subject to the OBRA-93 special payments for lands affected by federal decisions regarding the northern spotted owl. Beginning in fiscal year 2004, those guaranteed special payments will end and the underlying receipt-sharing formulas will take effect again. After 2003, the act would result in a net increase of 426 acres subject to the more generous NFS formula instead of the PD formula.

CBO estimates that section 2 would increase payments to Oregon and counties within the state but that the increase would be less than \$500,000 a year. Once the special guaranteed payments to counties affected by northern spotted owl decisions expire at the end of 2003, section 2 would make more federal acreage subject to the 25 percent receipt-sharing formula. For purposes of this estimate, CBO assumes there will be no significant change in the current restrictions on timber harvests affected by the northern spotted owl decisions. Because little timber is being harvested on those lands now, we estimate that a more generous receipt-sharing formula on those acres would not result in a significant increase in payments to Oregon in any year over the 1999-2008 period.

### **BLM Land Conveyances**

Section 3 would require the Secretary to ensure no net loss of certain types of acres when federal land is sold, purchased, and exchanged within six BLM districts: Medford, Roseburg, Eugene, Salem, Coos Bay, and the Klamath Resource Area within the Lakeview district. The provisions in section 3 could affect direct spending (including offsetting receipts) if they

resulted in changes to timber harvests on federal land and the associated payments to states and counties. However, CBO estimates that any such effects would probably be insignificant over the next 10 years.

### **Hart Mountain National Antelope Refuge**

Section 4 would provide for an exchange between BLM and the USFWS of land adjacent to or within the Hart Mountain National Antelope Refuge in Oregon. Specifically, the act would transfer administrative jurisdiction of about 12,100 acres of BLM land to the USFWS in exchange for about 7,700 acres of refuge property. Property transferred to the refuge would no longer be available for disposal or commercial use under public land laws. Land transferred to the BLM would be released from such restrictions. The section would modify the boundaries of the Hart Mountain refuge to reflect the transfers.

Based on information provided by the BLM, CBO expects that the agency would use the acreage obtained from the USFWS to satisfy requirements under existing grazing permits. Currently, this grazing takes place primarily on the acreage that the BLM would transfer to the USFWS, but the irregular boundaries of the Hart Mountain refuge make it difficult to determine which agency's land is used for grazing at any given time. The exchange of property would make it easier to enforce the existing permits. Section 4 would not affect the number or identity of permittees, the amount of grazing that occurs on federal lands, or the amount of offsetting receipts collected from grazing fees.

### **Sale of Land to Deschutes County**

Section 7 would authorize BLM to convey about 544 acres to Deschutes County, Oregon, for fair market value and to use the amount paid by the county to purchase environmentally sensitive land in the state. Typically, BLM disposes of land by exchanging it for other land of equal value. Exchanges usually generate no receipts to the Treasury. Because section 7 would authorize BLM to spend the proceeds from sale of the land, without further appropriation, enacting the section would likely result in sale of the federal lands rather than exchange. Because the section would authorize sale of the property to just one potential buyer, Deschutes County, section 7 could lead to a loss of offsetting receipts if the property were to be sold for a lower price than it would fetch under current law. Alternatively, the section could increase offsetting receipts if its enactment would result in a sale that would not occur under current law. Based on information from BLM, CBO expects that the most likely result is that the land would be sold to the county under section 7 for about \$1 million, whereas under current law the land would be exchanged and would generate little or no receipts to the Treasury.

Sale of the land in section 7 would be considered a nonroutine asset sale. Under the Balanced Budget Act of 1997, proceeds from nonroutine asset sales may be counted for purposes of pay-as-you-go scorekeeping only if such sales would entail no net financial cost to the government. Selling these BLM lands would not entail a net financial cost; therefore, the proceeds would be counted for pay-as-you-go purposes.

Based on information from BLM, we estimate that the land affected by section 7 would generate about \$1 million in offsetting receipts in fiscal year 1999 and that the agency would spend those receipts to acquire other land within the 1999-2003 period.

Other provisions of the bill would not affect direct spending or receipts.

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